



## Written Comments on SB5

**Mr. Daniel Murray: Kansas State Director, National Federation of Independent Business  
Senate Commerce Committee  
Thursday, January 24, 2013**

Chairwoman Lynn and members of the Committee: Thank you for allowing me to submit written comments on behalf of the National Federation of Independent Business (NFIB). The NFIB is the state's leading small business advocacy organization representing nearly 4,000 small business owners across Kansas.

We arrive at positions on bills through our unique member balloting process. At this time, we do not have an official position on SB5. However, we do have concerns about the bill.

SB 5 would prohibit a business entity from using the name of another business entity that it acquires unless it also assumes responsibility for the acquired business entity's liabilities, including any warranties.

The genesis and intent of the bill, as I understand it, is certainly noble. However, the bill presents some serious concerns about the ability of private entities to contract freely with one another. Our members have consistently stated that the government, to the greatest extent possible, should not interfere in the contractual matters of private individuals or businesses.

Further, SB 5 raises serious questions about the impact on general liability and warranty law and case law in Kansas. While not an expert in this arena, my suspicion is that SB 5 may generate some unintended consequences.

With that, we urge you to use caution and thoroughly vet the legal ramifications of SB 5.

### **Small Business Isn't Small**

*Collectively, small business isn't small. It represents over 97 percent of all employer firms and provides employment to 54.7% of the non-farm private work force in Kansas. It pays 44 percent of total U.S. private payroll. In the past fifteen years, it has annually generated 64% of net new jobs. It generates more than 50% of the gross domestic product. It possesses half of the business wealth in the U.S.*